



14/07/2020

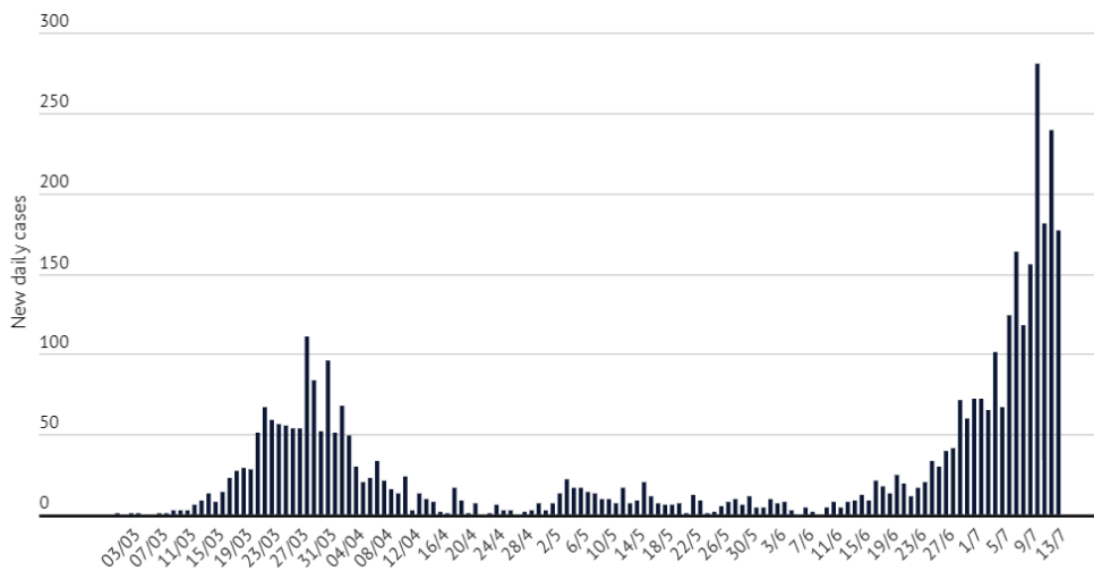
SPBA Business Strategy For COVID-19

Preamble

The SPBA Board of Management was working towards a re-start to basketball operations to begin in late June with domestic games to commence soon after that. Unfortunately, the second lockdown has meant we have to re-evaluate the path forward from here.

Our analysis of the situation centres around the first lockdown. The initial outbreak of COVID-19 reached a peak in late March, and almost three months transpired until we were 'almost' back on the court.

Daily net increase in coronavirus cases confirmed in Victoria



Data: Department of Health and Human Services

If we take the weekend figures as being the peak of the second outbreak, and use the same time frame as the first, we would look to returning to play somewhere in early to mid-October. Unfortunately, the likelihood of this seems rather remote as the Premier is emphasizing a cautious approach when we come out of lockdown.

Whilst we are still planning to hold our Annual Junior Tournament in November at this point, there is still much uncertainty around this. Unfortunately there may not be much certainty until competition is again approved to commence. If it were to proceed, there is a likely chance restrictions will mean it is run at a significantly reduced revenue.



Dromana 5981 0347
Rosebud 5981 1770



Dromana Basketball Stadium
Old White Hill Road, Dromana
Hillview Stadium
Boneo Road, Rosebud



admin@sharksbasketball.com.au
www.sharksbasketball.com.au
PO Box 122 Dromana, 3936



The potential implications for our programs are severe. In a recent VJBL families Zoom meeting, we outlined the consequences for our entire program, and unfortunately, this is increasingly more likely.

The BOM is still committed to continuing all our 2019 programs into 2021. No final decisions have been made; however, in the interests of transparency, we wanted to keep you informed.

Strategy for Cash Flow

1. **Focus on Stock** – We are attempting to convert as much of our stock into cash as we can. This will be an ongoing focus for the next month and we encourage you to take advantage of the significantly price reduced items available.
2. **Wages** – We currently have many employees on Job Keeper payments. We are at the mercy of government decisions, but we are planning for the assumption that these will stop in September. There is a genuine likelihood that the staff may be forced to take leave and/or stood down.

Interim DOC role (Matt Brassler) – We currently have engaged an interim Director of Coaching who is on minimum payments. We see this as an essential role in the shutdown period to keep players engaged with the club at all levels.

General Manager role (Ben White) – We have structured the start date for this position to be much later than the announcement occurred. We have already discussed restructuring the wages to back end payments, so we can keep cash in the Business.

This role is critical to the survival of the Association, as Ben has a complete understanding of the entire Business. His knowledge will be essential in ensuring staff are trained, and all aspects of the Business run smoothly when we re-start.

Ben is currently developing budgets around different financial scenarios. Our initial Budget was based around starting competitions in September, so whilst we were allowing for a later start, even later start scenarios now need to be catered for.

Cost Cutting – Over the past week, Ben has undertaken a cost-cutting exercise and found savings of over \$2000 annually from subscriptions and the like which we can take advantage of in the short term.

3. **Australian Sports Foundation** – Shortly, Ben will be launching a campaign to engage local businesses and members past and present, to try to raise funds to ensure our cash flow is sustainable. We have had this facility set up since late last year, and it provides donors a tax deduction should they contribute. Basketball Geelong was able to raise almost \$30,000 through a similar campaign.
4. **Paris Financial** – This firm are working closely with us on various aspects of how the Business has been run. They are focussing on previous accounting practices, reporting, and potential



Dromana 5981 0347
Rosebud 5981 1770



Dromana Basketball Stadium
Old White Hill Road, Dromana
Hillview Stadium
Boneo Road, Rosebud



admin@sharksbasketball.com.au
www.sharksbasketball.com.au
PO Box 122 Dromana, 3936



issues we have had with our auditing. Carmel and the BOM have spent many hours working with them to clarify and simplify our process.

5. **Grants** – We have so far been successful in over \$20,000 worth of grants. We have more applications pending and have our fingers crossed that we will be successful.
6. **Innovation** – We have begun our first eSports Tournament. These tournaments involve the participants playing matches online in a tournament format. This first tournament is not going to generate any revenue (nor does it cost). We are looking at future tournaments having an entry fee, which hopefully will drive a new revenue stream for the club. We are using this as a mechanism to engage sponsors currently giving free sponsorship to those who have supported us.
7. **Engaging Expertise** – Obviously, we are working with Basketball Victoria where appropriate; we are working with Paris Financial, and also Ben will be engaging with a member to seek advice. This member's background is turning businesses around and policy and procedure.

We really need to reiterate that as per the State Government direction, there are only four reasons to leave the home to stop the spread of the virus. See exact information on sport and recreation is here <https://www.dhhs.vic.gov.au/sport-and-exercise-restricted-postcodes-covid-19>

As you can see, we are working incredibly hard to utilize and build our cash flow moving forward. We implore all members to work together at this time to help get us back on court ASAP!

Any questions can be directed to gm@sharksbasketball.com.au or president@sharksbasketball.com.au.

Kind regards,

SPBA Board of Management



Dromana 5981 0347
Rosebud 5981 1770



Dromana Basketball Stadium
Old White Hill Road, Dromana
Hillview Stadium
Boneo Road, Rosebud



admin@sharksbasketball.com.au
www.sharksbasketball.com.au
PO Box 122 Dromana, 3936